ging for years; there was no possible market for it. It had been impossible to settle up estates because no purchaser could be found for the land. But a few years ago the people of the community woke up. The town issued $4,000 worth of bonds, and applied the proceeds to making better roadways. As a result the New Jersey wagon-makers of the vicinity of Philadelphia are making two-horse vehicles to carry not 55 bushel baskets, but loads made up of from 90 to 125 bushel baskets, and still the loads are not regarded as heavy.

Now that the roads are improved two horses are able to do more work than four horses, and with much more ease. It is stated that on the old roads two men and four horses, with a wagon weighing 1,900 pounds, could take two and one-half tons of produce to market and bring back an equal weight of fertilizer, making one trip a day. To-day, on the good roads, one man with two horses, and a wagon weighing 2,300 pounds, takes four tons to market, bringing back an equal weight, and making four trips a day. Here is a tremendous difference, an enormous saving. If this result could be brought about in Canada and the United States generally, it would mean a heart-warming profit to tens of thousands of producers and carriers.

## THE PROVINCIAL PROVIDENT INSTITUTION.

About twelve years ago there was brought into existence in the city of St. Thomas what purported to be a benefaction to humanity, an assessment life assurance association bearing the above attractive name. It professed to have found the key that opened the way to a life of ease, and release from the heavy premiums charged by the old line insurance companies, and to an old age of comfort and plenty. Those who entered its fold were to have reliable life insurance at one-third the usual cost, and an annuity for old age thrown into the bargain. Thus, a member entering at age 40 would begin to draw one-tenth of his certificate each year on attaining to age 62. What a hopeful prospect this, to be in receipt of, say, $500 per year with which "to husband out life's taper to the close!" Then, too, it offered one-half the amounts of the insurance carried should a member become permanently disabled.

To obtain an interest of $5,000 in this bonanza would cost, age 40, as follows:

| | |
|---|---|
| Entrance fee | $12 00 |
| Annual dues | 4 00 |
| Medical examination | 1 00 |
| Assessments, each | 5 45 |

When more than ten assessments were required in any year to pay claims, the reserve fund was to be drawn upon. It was estimated, however, that eight assessments a year would be ample to meet the death losses.

With this tempting bait, is it any wonder that some hungry fish did bite? The average man on entering an association of this kind, never stops to consider that by so doing he becomes a party to the contract; that while he remains a member, he is responsible for carrying out the agreement, and consequently, the greater the apparent inducement, the less likelihood there is of its fulfilment. Be that as it may, a number did bite, and now they find themselves caught on the Mutual Reserve hook. Several members of the late P. P. I. have been trying to solve the question, why the management chose the Mutual Reserve? It had been boasted time and again that the P. P. I. being a Canadian institution had experienced, and would continue to experience, a much lower mortality than its American sister.

The death loss per $1,000 on the average business in force for a term of six years was as follows:—

| | P. P. I., founded 1884. | Mutual Reserve, founded 1881. | North American, founded 1881. |
|---|---|---|---|
| 1890 | $2 74 | $11 29 | $4 10 |
| 1891 | 7 36 | 11 64 | 5 15 |
| 1892 | 4 49 | 12 83 | 7 71 |
| 1893 | 9 60 | 12 72 | 4 73 |
| 1894 | 6 85* | 11 80 | 9 03 |
| 1895 | 7 53 | 13 20 | 4 33 |

Thus the death loss per $1,000 of insurance in force in the Mutual Reserve is more than double of that of a regular line company, the North American, and nearly double of that in the late P.P.I.

The high death rate of the Mutual Reserve Fund Life, when compared with that experienced by the regular line Canadian companies, serves as a striking illustration of the fact that the mortality in assessment and in natural premium companies in their later years is much higher than that of regular line companies. The increasing assessments drive out the best blood, and the aggregation of impaired lives remaining "until death us do part," invariably brings dissolution to the institution as age comes on. This higher mortality in the Mutual Reserve must be met in part by the incoming members of the late P.P.I. Nor is this all; the higher expenses of the Mutual Reserve is no inconsiderable barrier to an harmonious union.

About four years ago a similar transfer was made of the members of the late Canadian Mutual Life, formerly the Canadian Mutual Aid Association, to the "Massachusetts Benefit Life Association." This assessment association had lived out its *cheap* days, and the management knowing the end was nigh, sought to avert the disaster by quietly transferring its members to the American Amœbus. It took them in whole, at first, and for a time they remained partially distinct from the absorbing body, though surrounded by it. The distinction grew less and less marked, until after the expiration of four years the assimilation of the struggling, softened creature is so complete that what remains in the maw of the Massachusetts Mutual can hardly be recognized from the original body. All are alike writhing on the hook of the wily assessment fishermen, who have had a good feast at their expense. The increasing assessments have driven many to lapse after paying in for years. They get no surrender value. The marked decrease in the Canadian business of this association shows how its members dislike it.

| Mass. Mutual. | Amount in Force. |
|---|---|
| December 31st, 1892 | $10,558,500 |
| " " 1893 | 9,466,025 |
| " " 1894 | 7,923,495 |
| " " 1895 | 7,533,240 |

Notwithstanding the amount of new business done each year in Canada, the total Canadian business has decreased $3,025,260 in the three years! Now what have the members of the late P.P.I. to gain by amalgamation with the Mutual Reserve? The cost will certainly be greater than if it had remained separate. Nor is the security improved to any appreciable extent. At the end of 1894 the Mutual Reserve had net assets of $3,276,121 by including $1,224,599 of unpaid mortuary assessments. This is about $11.17 for each $1,000 of insurance at risk. If the doubtful assets were deducted there would probably be about $8.00 for each $1,000 of insurance carried. In the P.P.I. there was at the same time $8.93 for each $1,000 at risk; so that all things considered, the lower mortality, the lower expense, the P.P.I. was really the safer of the two. Assets considered in the gross, without due regard to liability, form no basis of solvency. The number of claimants and the amount of the claims must be considered conjointly with the assets. When taken in this manner the Mutual Reserve reveals its true weakness.

Then, does the Mutual Reserve re-insure the members of the late P.P.I., or does the P.P.I. insure the

*Annuity and disability claims of $9,000 occurred in addition to this.